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COMMUNIST FOREIGN AID

ANNCR:

THE U.S. CONGRESS IS IN THE FINAL STAGES OF APPROVING A FOREIGN ECONOMIC AID PROGRAM TOTALLING MORE THAN FIVE- THOUSAND MILLION DOLLARS. VOA'S MARK DILLEN HAS SOME OBSERVATIONS ON HOW THIS COMPARES WITH AID BY COMMUNIST COUNTRIES.

VOICE:

LAST YEAR, THE UNITED STATES AND OTHER WESTERN COUNTRIES GAVE MORE THAN SIXTEEN THOUSAND MILLION DOLLARS IN ECONOMIC AID TO DEVELOPING COUNTRIES. IN CONTRAST, ALL THE COMMUNIST COUNTRIES TOGETHER GAVE ONLY ABOUT ONE POINT THREE THOUSAND MILLION DOLLARS -- PROMISING A SMALLER AMOUNT TO COME LATER. THE GREAT MAJORITY OF THIS TOTAL COMMUNIST AID FOR 1975 WENT TO ONLY TWO COUNTRIES -- TURKEY AND AFGHANISTAN.

IN RECENT YEARS, WHILE COMMUNIST COUNTRIES HAVE EMPHASITICALLY STATED THEIR SUPPORT FOR THE SO-CALLED "THIRD WORLD," THEIR NON-MILITARY AID TO THESE COUNTRIES HAS GENERALLY DECLINED. THE COMMUNIST TOTAL -- MOST OF IT COMING FROM THE SOVIET UNION -- IS NOW LESS THAN SIX PER CENT OF THAT FROM ALL OTHER DONOR COUNTRIES.

FOR THE COMMUNISTS -- WHO AT ONE TIME ACTIVELY COMPETED WITH THE WEST IN SUCH PROGRAMS -- THIS REPRESENTS A BIG CHANGE OVER THE LAST DECADE. MOST ANALYSTS HOLD THREE MAIN FACTORS RESPONSIBLE: COMMUNIST COUNTRIES CANNOT AFFORD TO DONATE LARGE SUMS ABROAD; MANY RECIPIENT COUNTRIES FIND THE TERMS OF COMMUNIST AID TOO STRICT; AND FOREIGN AID HAS SELDOM PRODUCED NEW ALLIES FOR THE COMMUNISTS.

THE DIFFICULTY FOR THE COMMUNIST COUNTRIES STEMS FROM THE NATURE OF THEIR ECONOMIC SYSTEMS -- WHICH DO NOT ALLOW FOR CONVERSION OF THEIR CURRENCIES ON THE OPEN MARKET. MOST COMMUNIST AID HAS THEREFORE INVOLVED COMPLICATED ARRANGEMENTS IN WHICH GOODS AND SERVICES ARE DONATED -- OR EXCHANGED -- FOR FUTURE PURCHASES OF OTHER COMMUNIST GOODS.

BESIDES THIS DETERRENT, MOST COMMUNIST COUNTRIES -- TO EXPAND THEIR TRADE WITH THE WEST -- HAVE TAKEN ON LARGE TRADE DEFICITS THAT MUST THEMSELVES BE FINANCED THROUGH LOANS FROM WESTERN FINANCIAL INSTITUTIONS. ONE STUDY -- BY THE PRIVATE INSTITUTE FOR INTERNATIONAL POLICY IN WASHINGTON -- REPORTS THAT COMMUNIST COUNTRIES BORROWED ABOUT TWICE AS MUCH MONEY LAST YEAR FROM THE WEST AS THESE SAME COUNTRIES GAVE IN GOODS AND SERVICES TO THE THIRD WORLD. THE RESEARCH GROUP ALSO REPORTS THAT ARAB OIL EXPORTING COUNTRIES ARE NOW GIVING SUBSTANTIALLY MORE ECONOMIC AID TO THE THIRD WORLD THAN ARE THE COMMUNISTS.

THE COMMUNIST COUNTRIES HAVE CLEARLY REALIZED THEIR CURRENT LEVEL OF ECONOMIC AID IS NOT ENOUGH TO MAKE MUCH DIFFERENCE IN SOLVING THE THIRD WORLD'S DEVELOPMENT PROBLEMS. AND SO, IN WHAT THEY DO GIVE, THE COMMUNISTS ARE CONCENTRATING ON AREAS THEY CONSIDER STRATEGIC. MUCH WESTERN AID IS PROVIDED THROUGH SUCH ORGANIZATIONS AS THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK, BUT THE COMMUNISTS DO NOT PARTICIPATE IN THESE MAIN INTERNATIONAL DEVELOPMENT EFFORTS.

MORE IMPORTANTLY, THE COMMUNIST COUNTRIES HAVE OPPOSED RECENT U.S. INITIATIVES IN THE UNITED NATIONS TO DEVELOP CLOSER COOPERATION BETWEEN THE DEVELOPED AND DEVELOPING COUNTRIES. A WIDE RANGE OF PROPOSALS -- MADE BY THE UNITED STATES IN THE LAST YEAR -- WOULD PROVIDE THE BASIS FOR AN INTERNATIONAL EFFORT TO

DEVELOP THIRD WORLD INDUSTRY AND TRADE. THIS IS QUITE DIFFERENT FROM THE COMMUNIST APPROACH WHICH TENDS TO FOCUS ON THE CONSTRUCTION OF A SINGLE DAM OR FACTORY, RATHER THAN ON THE COMPLEX PROBLEMS OF DEVELOPING THE WORLD'S ECONOMY.

GH/RCS